

EXHIBIT

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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ACORN (THE NEW YORK
ASSOCIATION OF COMMUNITY
ORGANIZATIONS FOR REFORM
NOW), et al.,

Plaintiffs,

No. 05-CV-2301
(JFB)(WDW)

v.

COUNTY OF NASSAU, INCORPORATED
VILLAGE OF GARDEN CITY and
GARDEN CITY BOARD OF TRUSTEES,

Defendants.

Declaration of Nancy McArdle

I, NANCY MCARDLE, declare and state:

I. Qualifications

1. I am a researcher and author with over 20 years experience analyzing housing demography, census data, racial segregation, and patterns of racial change (see curriculum vitae attached as Appendix 1). I received a Bachelor of Science degree, *summa cum laude*, from Carnegie-Mellon University in 1985 and a Masters of Public Policy at Harvard University's Kennedy School of Government in 1987.
2. For fourteen years I served as project manager and research associate at Harvard University's Joint Center for Housing Studies, and was co-author of the Center's widely-cited, signature report: The State of the Nation's Housing. I authored working papers and book chapters and became adept in the statistical analysis of large databases including the Decennial Census, American Housing Survey, Home Mortgage Disclosure Act database, and Current Population Survey.
3. Over the past eight years I have worked as a consultant on a wide range of research projects focusing primarily on patterns of racial change and segregation. I have authored or co-authored book chapters, journal and periodical articles and research reports on residential segregation and its impacts, and I have testified before the U.S. Commission on Civil Rights, the Massachusetts Governor's Fair Housing Advisory Panel, and the Massachusetts Department of Housing and Community Development. As research director of the Metro Boston Equity Initiative, I led a major program producing research

on racial equity in housing, education, and employment in Metro Boston. I have also produced housing market and policy analysis for the Neighborhood Housing Services of Rochester, NY and for the Neighborhood Reinvestment Corporation (now NeighborWorks America.) I developed and taught a top-rated course instructing community development professionals on how to use Census and other data to assess their communities, served as a peer research reviewer for the Fannie Mae Foundation, and have been a guest lecturer for several graduate level classes at Harvard's Graduate School of Education and the Harvard School of Public Health. I serve on the Board of Directors of the Fair Housing Center of Greater Boston and chair its research committee. I am currently the principal data analyst of Diversity Data, a project of the Harvard School of Public Health and the Center for the Advancement of Health, which provides a broad range of socio-economic indicators by race, including housing, health, demographics, education, and employment, for all of the nation's metropolitan areas. I have testified in and/or produced expert reports in five court cases, primarily dealing with issues of residential segregation.

II. Scope of Report

4. The plaintiffs' attorneys have asked me to analyze data and to form an opinion regarding the following questions concerning racial change and segregation in Nassau County, geographic patterns of subsidized housing in Nassau County, and the likely racial composition of households that could afford to live in potential new housing at the 101 County Seat Drive, Garden City location (hereafter, the "Social Services site") under various zoning and development proposals:
 - A. How does the racial/ethnic composition of Garden City compare with Nassau County as a whole, and how has this changed over the past few decades? What is the extent of racial/ethnic segregation in Nassau County, particularly regarding the black and Hispanic population (hereafter, the "minority population")?
 - B. To what extent are minorities represented among lower-income households in Nassau County and among those with housing problems?
 - C. To what extent has the placement of subsidized housing in Nassau County served to reinforce patterns of racial/ethnic residential segregation?
 - D. Given four scenarios proposed by New York ACORN Housing Company (NYAHC) for the development of the Social Services site under the CO-5b zoning proposed by planning consultants Buckhurst Fish and Jacquemart Inc., what was the likely racial/ethnic composition of the pool of renters who could afford to rent those units as of 2004?
 - E. Assuming the development of 156 units for sale in Garden City, with an average purchase price of \$700,000, what was the likely racial/ethnic composition of the pool of homebuyers who could afford to purchase such units as of 2004?

III. Summary of Findings

5. Despite the growing minority population in Nassau County as a whole, many of its municipalities, including Garden City, continue to have very low minority¹ population shares. Among people living in households in 2000,² the minority share of the population was just 2.6% in Garden City, compared to 19.7% in Nassau County. 2.3% of households in Garden City were headed by a black or Hispanic person, compared to 15.3% of Nassau County households. If minorities made up the same share of Garden City households as they did of Nassau County households, Garden City would have 1,133 black/Hispanic households compared to its actual total of 167, an increase of over six-fold.
6. Nassau County is highly segregated for blacks, ranking in the top one half of one percent of all counties in the U.S. Black segregation has barely changed from the very high level it attained in 1980. Segregation of Hispanics is more moderate but has climbed steadily. By 2000, Nassau ranked in the top 10% of counties in terms of Hispanic segregation. Half of the minority population resides in just nine “majority-minority” municipalities in Nassau, municipalities with strikingly inferior levels of socio-economic and housing characteristics as compared to lower-minority areas. Residential segregation is mirrored by segregation of minority public-school students in high-minority, low-income schools.
7. Minorities make up increasing and disproportionate shares of very-low income households in Nassau County, both among owners and renters. They are almost four times as likely to be very-low-income renters than are non-minority households (21.6% versus 5.3%.) Further, minorities more commonly have housing problems than non-minorities. As of 2000, 51.9% of minority households had housing problems (housing cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities,) compared to 31.1% of non-minorities.
8. In Nassau County, family subsidized housing is predominantly inhabited by a minority population. Such housing tends to be located in high-minority areas. In contrast, senior citizen housing, which serves a much lower minority population, tends to be located in much lower-minority areas. As a result, the concentration of subsidized housing in Nassau County reinforces patterns of residential segregation.
9. Against this backdrop of residential segregation, Nassau County has specifically targeted development of affordable housing³ in some of the highest minority municipalities in the

¹ For the purposes of this report, the term “minority” refers to people who identify themselves as Hispanic/Latino or as both non-Hispanic and black. As of the 2000 Census, when respondents could choose to identify themselves as more than one race, I define “black” to include those respondents who specified their race as “black alone” as well as “black in combination with other races.”

² Excluding group quarters such as dormitories

³ The term “affordable housing” in this summary refers broadly to housing that the County has described as “affordable” in its various documents. For example, in his deposition, Deputy County Executive for Economic Development Patrick Duggan, states, “We--through our housing agencies have been involved in the rehabilitation or construction of 2,000 units of affordable housing.” (p. 23-24) (Note that the actual number of units documented was

County. Of the affordable 1,565 units with which the County claims it has been involved through construction or rehabilitation, almost two-thirds of the units (62%) were located in municipalities with minority shares that were over twice the County average. Among those 138 units which were explicitly identified as being “new construction,” all of the units (100%) were located in municipalities with minority shares that were over twice the County average. Additionally, the County has provided a list of 39 County-owned properties sold to non-profit housing organizations, most likely for the purpose of development of affordable housing. The vast majority (95%) of these properties were located in municipalities with minority shares of the population over twice the County average. Over two-thirds of the properties (69%) were located in municipalities with minority shares that were over three times the County average. Lastly, of the 734 units that the County has identified as being at least partially funded through the CDBG and HOME federal subsidized housing programs, for which the County is the local administrator and coordinator, two-thirds were located in municipalities with minority shares of the population that were over three times the County average.

10. Regarding the potential development of the Social Services site: based on analysis of projected rents, qualifying incomes and Section 8 subsidy usage under four NYAHC development proposals, I estimate the following composition of renters who could afford units under the four NYAHC proposals in 2004:
 - A. Proposal 1: 80% market units, 20% affordable units:
The pool of renters that could afford the 249 market-rate units and 62 affordable units would likely include 65 minority households or 21% of the households.
 - B. Proposal 2: 85% market units, 15% affordable units:
The pool of renters that could afford the 265 market-rate units and 46 affordable units would likely include 56 minority households or 18% of the households.
 - C. Proposal 3: 75% market units, 25% Section 8 units:
The pool of renters that could afford the 233 market-rate units and 78 Section 8 subsidized units would likely include 101 minority households or 32% of the households.
 - D. Proposal 4: 75% market units, 12.5% Section 8, 12.5% other affordable:
The pool of renters that could afford the 233 market-rate units, 40 Section 8 subsidized units, and 38 other affordable units would likely include 88 minority households or 28% of the households.
11. Even assuming adoption of the Proposal #3 that would maximize the number of minority-headed households, the share of households headed by a minority in Garden City would still likely be approximately 3.6%, much lower than Nassau County’s 15.4% minority

1,565.) Also, the Deputy County Attorney provided to plaintiffs’ attorneys a document “Draft Existing/Public/Affordable Housing Resources” in Nassau County (Bates #26952-26960.) Further, in its Five Year (2005-2009) Consolidated Plan and Annual Action Plan for the Nassau Urban County Consortium, the County states, “Locations of affordable housing will likely include Hempstead Village, Roosevelt, Freeport, Jamaica Sq. and New Cassel.”

share as of 2000. The minority share of the population (excluding those in group quarters such as dormitories) would likely rise from 2.6% to approximately 4.2%⁴. While this share is still substantially below the 2000 County average of 19.7%, it would constitute a step towards reducing segregation.

12. In general, because of the lower income distributions of minority households, increasing the number of affordable units will increase the number and share of minority households who can afford to live in the proposed development. Increasing the number of units which receive a Section 8 subsidy will further increase the number and share of minority households who can afford to live in the proposed development. This pattern is especially true as it pertains to family (non-elderly) housing.
13. I estimate the likely number of minority-headed households who could have afforded to buy homes potentially developed on the Social Services site and sold by Fairhaven Properties to range between 3 and 6 households as of 2004, based on analysis of the racial/ethnic composition of homebuyers in Nassau County in 2004 from the Home Mortgage Disclosure Act Database (HMDA.) This estimate assumes an average purchase price of \$700,000, a conservative estimate provided by Ismene Speliotis of NYAHC. Even at the high end of this estimate, the share of households headed by a minority in Garden City after such development would likely be unchanged at approximately 2.3%, constituting a continuation of segregation.

IV. Findings

Despite the Growing Minority Population in Nassau County Overall, Many of its Municipalities, Including Garden City, Continue to Have Very Small Minority Population Shares

14. Over the past few decades, the minority population of Nassau County has increased, both numerically and as a share of the total population, while the white⁵ population has decreased.
 - A. Between 1980 and 2000, the minority population in Nassau County doubled, from 131,700⁶ to 270,269⁷, an increase of 105%.

⁴ Assumes that all members of a household share the same minority status as the household head. In Nassau County in 2000, 97% of households with a non-minority head contained all non-minority members; 89% of households with a minority head contained all minority members. The estimated growth in the minority share of the population uses the 2000 Census population as a base and assumes all growth is due to that associated with residents moving into Garden City to occupy the new development.

⁵ For 2000, I define "whites" to include only non-Hispanic whites who specify their race as "white alone."

⁶ 1980 Decennial Census, Summary Tape File 1; accessed through "CensusCD 1980," GeoLytics, Inc, East Brunswick, NJ, 1999.

⁷ 2000 Decennial Census, Summary File 1, accessed through U.S. Census Bureau "American Factfinder": http://factfinder.census.gov/home/saff/main.html?_lang=en

- The Hispanic population tripled, from 43,286⁸ to 133,282⁹ (up 207.9%.)
 - The black population increased from 88,414¹⁰ to 136,987¹¹ (up 54.9%.)
- B. The minority share of the population in Nassau County rose from 10% in 1980 to 20.3% in 2000.
- The Hispanic share of the population increased from 3.3% to 10.0%.
 - The black share of the population increased from 6.7% to 10.3%
- C. Between 1980 and 2000, the non-Hispanic white population fell from 1,171,317¹² to 986,947¹³, a decline of 15.7%. The white share of the population fell from 88.6% in 1980 to 74.0% in 2000.
15. Population estimates by race/ethnicity at the county level are further available from the Census Bureau through 2006. Between 2000 and 2006, the minority share rose to 23.6% of the total Nassau County population, while the white share of the population fell to 70.1%.¹⁴
16. Minority share of the population differs significantly across municipalities¹⁵. (See Exhibit 1 for maps of racial/ethnic composition of municipalities as of 2000)
- A. In 9 municipalities, over half of the population was minority in 2000¹⁶ (“majority-minority areas”): Roosevelt (95.8% minority,) Lakeview (93.3%), New Cassel (88.9%), Hempstead (84.4%), Uniondale (79.0%), S. Floral Park (78.0%), E. Garden City (67.2%), Freeport Village (66.0%), and Inwood (52.6%).
- B. Half (49.5%) of the Nassau County minority population lived in these nine majority-minority municipalities, while only 3.4% of the non-minority population lived there.
- C. In contrast, in 52 of Nassau’s 135 municipalities, less than 5%¹⁷ of the population was minority (very-low minority areas).
- D. Only 4.2% of the Nassau County minority population lived in these 52 “very-low minority areas”, while 29% of the non-minority population lived there.

⁸ 1980 Decennial Census, Summary Tape File 1.

⁹ 2000 Decennial Census, Summary File 1.

¹⁰ 1980 Decennial Census, Summary Tape File 1.

¹¹ 2000 Decennial Census, Summary File 1.

¹² 1980 Decennial Census, Summary Tape File 1.

¹³ 2000 Decennial Census, Summary File 1.

¹⁴ U.S. Census Bureau, CC-EST2006-5RACE-[ST_FIPS]: Annual Estimates of the Resident Population by Sex, Race Alone or in Combination and Hispanic or Latino Origin for Counties in New York, April 1, 2000 to July 1, 2006

¹⁵ In this analysis, I use the term “municipality” loosely to refer to any of the towns, villages, or Census Designated Places that are specified in the decennial Census as components of Nassau County.

¹⁶ 2000 Decennial Census, Summary File 1.

¹⁷ 2000 Decennial Census, Summary File 1.

Minorities Comprise a Much Smaller Share of the Population in Garden City Than in Nassau County, and Minority Population Growth Has Been Much Slower There

- 17.
- A. The minority population of Garden City rose by 31.4% (versus 105% in Nassau County) between 1980 and 2000, from 671¹⁸ to 882¹⁹ persons.
 - B. The minority share of the population in Garden City rose from 2.9% in 1980 to 4.1% in 2000 (versus 20.3% in Nassau County in 2000.)
 - C. Although the minority population grew in Garden City, it grew at a slower rate than in Nassau County as a whole. Thus, the share of Nassau County's minority population that resided in Garden City declined from 0.51% in 1980 to 0.33% in 2000.
 - D. Importantly, **a large share of the black population (61%²⁰) residing in Garden City in 2000 were students living in dormitories, most likely as part of Adelphi University.** Looking only at people living in households (not in group quarters such as dormitories²¹), the minority share of the population was just 2.6% of the population in 2000, compared to 19.7% in Nassau County. Garden City's minority share of the population is especially low compared to the village of Hempstead (90% minority share of population in households) which it immediately borders.
18. 2.3% of households in Garden City were headed by a black or Hispanic person in 2000, compared to 15.3% of Nassau County households²². If Garden City's share of minority households equaled Nassau County's share, Garden City would have 1133 minority households versus its actual total of 167, an increase of over six-fold²³.
- A. Even accounting for the fact that Garden City has high homeownership relative to Nassau County (93.2% vs. 80.3% of households are owners²⁴), minorities are still under-represented in Garden City. Minorities comprise 11.2%²⁵ of all Nassau owner households. If they made up this same share of Garden City owner households, Garden City would have 771 minority owner households versus the actual total of 143, or over five times as many owner households²⁶.
 - B. Minorities comprise 32.1% of all Nassau renter households²⁷. If they made up this same share of Garden City renter households, Garden City would have 161 minority renter households versus the actual total of 24, or over six times as many renter households.²⁸

¹⁸ 1980 Decennial Census, Summary Tape File 1.

¹⁹ 2000 Decennial Census, Summary File 1.

²⁰ 2000 Decennial Census, Summary File 1. Refers to both non-Hispanic blacks and Hispanic blacks.

²¹ 2000 Decennial Census, Summary File 2.

²² Ibid.

²³ Ibid.

²⁴ Ibid.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

Nassau County is Highly Segregated in Terms of Residence and Schools

- 19. Blacks are highly segregated in Nassau County, and Hispanics are experiencing increasing segregation. High-minority municipalities exhibit substantially lower educational attainment levels, homeownership rates, and home values than do very-low minority areas, and they have higher poverty rates. Residential segregation is mirrored by segregation of minority public school students in high-minority, low-income schools.
- 20. I examine segregation in Nassau County across two dimensions:
 - A. **Residential segregation** as of the 2000 Census, using two commonly used segregation indices: the dissimilarity and exposure/isolation indices.
 - B. **Segregation of public elementary school students** in Nassau County as of the 2005-06 school year, using the dissimilarity and exposure/isolation indices and the National Center for Education Statistics Common Core of Data (NCES CCD) database

Residential Segregation for Blacks in Nassau County is Among Highest in the Country; Segregation of Hispanics is Increasing

- 21. I utilize the two most commonly used measures of residential segregation, the dissimilarity index and the exposure/isolation index to examine the extent of segregation between blacks and whites and between Hispanics and whites. I analyze the Census Summary File 1 for 1980, 1990, and 2000 and compute segregation indices at the census tract level, the level of geography most commonly used in segregation research, especially when examining segregation over time. According to the Census Bureau, a census tract is a “small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. . . Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment, census tracts average about 4,000 inhabitants.”²⁹
- 22. The dissimilarity index (D) is the measure of segregation most commonly used to measure residential segregation³⁰. It is a measure of evenness of spread or distribution of

²⁹ Census tract definition from Census Bureau American Factfinder Glossary.

³⁰See for example, *Negroes in Cities: Residential Segregation and Neighborhood Change*. Karl E. Taeuber and Alma F. Taeuber. (Chicago: Aldine Publishing Company, 1965;) and Massey, D.S. and N.A. Denton. The Dimensions of Residential Segregation. *Social Forces*, 67:281-315, 1988.

The basic formula for the index of dissimilarity is:

$$\frac{1}{2} \sum_{i=1}^N \left| \frac{b_i}{B} - \frac{w_i}{W} \right|$$

where

N = the number of census tracts or other geographic subunits in the area of interest

racial/ethnic groups across a geographic area. The index ranges between 0 and 1, with 0 indicating complete integration and 1 indicating complete segregation (total spatial separation by race.) For readability, I am rebenchmarking the index to range from 0 (complete integration) to 100 (complete segregation.) Generally, values above 60 are considered to be very high³¹.

A second major index of segregation is the exposure or isolation index, which reflects the racial/ethnic composition of a geographic area in which the average member of a specified/racial ethnic group resides.³² This index measures the extent to which members of a group are likely to be in contact with members of another racial/ethnic group, or with their own group.

Black Segregation from Whites

23. The Nassau-Suffolk PMSA³³ is the 3rd most segregated large suburban region for blacks in the U.S., with a dissimilarity index³⁴ (D) of 74.4 in 2000³⁵. This means that 74.4% of black residents would have to move to another census tract in order to achieve complete integration with whites or, in other words, for the relative balance between blacks and whites in each census tract to match that of the county as a whole. The Nassau-Suffolk PMSA is composed of two counties, Nassau and Suffolk. Looking at each of these counties individually shows that Nassau County was substantially more segregated than Suffolk County in 2000 (D of 79.8³⁶ for Nassau and 65.7³⁷ for Suffolk.) In fact, Nassau

b_i = the black population of the i^{th} area, e.g. census tract

B = the total black population of the large geographic entity for which the index of dissimilarity is being calculated.

w_i = the white population of the i^{th} area

W = the total white population of the large geographic entity for which the index of dissimilarity is being calculated.

Indices are calculated for Hispanics by substituting the Hispanic population numbers for blacks.

³¹See for example, "Ethnic Diversity Grows, Neighborhood Integration Lags Behind." Lewis Mumford Center for Comparative Urban and Regional Research, University at Albany, SUNY. Revised December 18, 2001
<http://mumford.albany.edu/census/WholePop/WPreport/MumfordReport.pdf>

³² The basic formula for the exposure index is:

$$\text{SUM}(w_i / W) \times (b_i / t_i) .$$

where

w_i = the white population of the census tract

W = the sum of all w_i (the total white population in the County)

b_i = the black population of the census tract

t_i = the total population of the census tract

This formula shows white exposure to blacks, or the black share of the census tract inhabited by the average white, but any racial groups can be substituted into the formula to examine exposure to other groups or isolation among their own group.

³³ Primary Metropolitan Statistical Area.

³⁴ Dissimilarity index based on census tracts.

³⁵ Among 50 largest suburban regions by total population. See "The New Ethnic Enclaves in America's Suburbs." *John Logan*, Lewis Mumford Center, July 9, 2001.

<http://mumford.albany.edu/census/suburban/SuburbanReport/page7.html>.

³⁶ Calculated from 2000 Decennial Census Redistricting Data (P.L. 94-171) accessed through "CensusCD 2000 /Redistricting," GeoLytics, Inc, East Brunswick, NJ, 2001.

³⁷ Ibid.

- County ranked in the top one half of one percent of all counties in terms of black-white segregation.
24. The dissimilarity index (D) for blacks in Nassau County has declined only slightly over time, from 82.9 in 1980³⁸ to 82.6³⁹ in 1990 to 79.8 in 2000⁴⁰.
 25. Blacks experience low exposure to whites in their communities, relative to the white share of Nassau County overall. Nassau County was 74%⁴¹ white in 2000, but the average black resident lived in a census tract that was just 27.8% white.
 26. Blacks experience high exposure to other blacks in their communities, relative to the black share of Nassau County overall. Nassau County was 10.3%⁴² black in 2000, but the average black resident lived in a census tract that was 46.8%⁴³ black.

Hispanic Segregation from Whites

27. Hispanics experience moderate but growing segregation from whites in Nassau County. The dissimilarity index for Hispanics in Nassau County was 34.5⁴⁴ in 1980; 42.2⁴⁵ in 1990 and 47.3⁴⁶ in 2000. By 2000, Nassau ranked in the top 10% of counties in terms of Hispanic segregation.
28. Hispanics experience low exposure to whites in their communities, relative to the white share of Nassau County overall. Nassau County was 74%⁴⁷ white in 2000, but the average Hispanic resident lived in a census tract that was just 53.2%⁴⁸ white.
29. Hispanics experience high exposure to other Hispanics in their communities, relative to the Hispanic share of Nassau County overall. Nassau County was 10%⁴⁹ Hispanic in 2000, but the average Hispanic resident lived in a census tract that was 20.3%⁵⁰ Hispanic.

³⁸ Calculated from 1980 Decennial Census, Summary Tape File 1 data normalized to 2000 Census tract boundaries and accessed through "CensusCD Neighborhood Change Database," GeoLytics, Inc, East Brunswick, NJ, 2005.

³⁹ Calculated from 2000 Decennial Census Redistricting Data (P.L. 94-171) accessed through "CensusCD 2000 /Redistricting," GeoLytics, Inc, East Brunswick, NJ, 2001. Note—this database also includes 1990 data.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² Calculated from 2000 Decennial Census, Summary File 1.

⁴³ Ibid.

⁴⁴ Calculated from 1980 Decennial Census, Summary Tape File 1 data normalized to 2000 Census tract boundaries and accessed through "CensusCD Neighborhood Change Database," GeoLytics, Inc, East Brunswick, NJ, 2005.

⁴⁵ Calculated from 2000 Decennial Census Redistricting Data (P.L. 94-171) accessed through "CensusCD 2000 /Redistricting," GeoLytics, Inc, East Brunswick, NJ, 2001. Note—this database also includes 1990 data.

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Calculated from 2000 Decennial Census, Summary File 1.

⁴⁹ Ibid.

⁵⁰ Ibid.

Minorities Are Segregated into Municipalities with Inferior Socio-Economic and Housing Characteristics

30. Blacks are almost as segregated by municipality as they are by census tract. The dissimilarity index for towns/villages in 2000 was 74.5⁵¹. In other words, 74.5% of blacks would have to move to another municipality in order for the relative balance between blacks and whites in each municipality to match that of the County as a whole.
31. “Majority-Minority” municipalities differ substantially from “Very-Low Minority” municipalities in socio-economic and housing characteristics. The nine “majority-minority” municipalities exhibit substantially lower educational attainment levels, homeownership rates, and home values, and higher poverty rates than do the 52 “very-low minority areas, those less than 5% minority”.
 - A. The share of people aged 25 and over who have at least a bachelor’s degree was just 17.4%⁵² in majority-minority areas, versus 46.1%⁵³ in very-low minority areas.
 - B. The homeownership rate was 60.2%⁵⁴ in majority-minority areas, versus 90.6%⁵⁵ in very-low minority areas⁵⁶.
 - C. The share of owner-occupied homes valued at \$500,000 or more was less than 1%⁵⁷ in majority-minority areas, versus 20.8%⁵⁸ in very-low minority areas.
 - D. The poverty rate was 13.4%⁵⁹ in majority-minority areas, versus 3.1%⁶⁰ in very-low minority areas.

Minority Students in Nassau County Segregated Into High-Minority, Low-Income Schools⁶¹

32. Examination of school segregation data is an additional method of understanding segregation patterns more recent than the 2000 census. The racial/ethnic composition of public schools is available through the 2005-06 school year.
33. Nassau County public elementary schools are highly segregated, with two in five black or

⁵¹ Calculated from 2000 Decennial Census, Summary File 1.

⁵² 2000 Decennial Census, Summary File 3, accessed through U.S. Census Bureau “American Factfinder”:
http://factfinder.census.gov/home/saff/main.html?_lang=en

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ All data in this section from the U.S. Department of Education, National Center for Education Statistics’ (NCES) Common Core of Data (CCD) database. Elementary schools in this analysis are limited to those with a lowest grade of Pre-K, 1st, 2nd, or 3rd and a highest grade of 2nd, 3rd, 4th, 5th, or 6th.

- Hispanic students attending schools that are both majority black/Hispanic AND majority low-income. In contrast, less than half of one percent of white students attend such schools.
34. Because school assignment is closely linked to students' area of residence, residential segregation leads almost inexorably to school segregation. And because of the close link between race and income, high-minority schools are almost always high-poverty schools, which have been linked to a host of educational disadvantages⁶².
 35. Using the National Center for Educational Statistics Common Core of Data (NCES CCD) database for the 2005-06 school year, I analyze the racial composition of public school students in Nassau County and in Garden City as well as the degree of segregation across Nassau County and the correlation between high-minority schools and high-poverty schools. As a proxy for poverty, I use the share of children eligible for free or reduced lunch. Because there is evidence that data on free/reduced lunch status is less reliable for older students, I restrict this analysis to the elementary school level.
 36. During the 2005-06 school year, 212,642 students attended Nassau County's public schools. 4,227 students attended Garden City public schools.
 37. The racial composition of public schools (all grades) in Nassau County and Garden City was as follows:

	Nassau County	Garden City
Non-Hispanic White	63.9%	95.3%
Non-Hispanic Black	13.4%	0.5%
Non-Hispanic Other	8.6%	2.6%
Hispanic	14.1%	1.6%
Black + Hispanic	27.5%	2.2%

38. Just 2.2% of public school students in Garden City are black/Hispanic, compared to 27.5% of students in Nassau County.
39. During the 2005-06 school year, 92,324 students attended Nassau County's public elementary⁶³ schools.
40. These schools had a racial composition as follows: 63.9% non-Hispanic white; 12.9% non-Hispanic black; 14.5% Hispanic; 8.7% non-Hispanic other.
41. Overall 17.5% of Nassau County elementary students were eligible for free/reduced

⁶² See for example All Together Now: Creating Middle-Class Schools Through Public School Choice, Richard D. Kahlenberg, Century Foundation. 2001.

⁶³ I report data for elementary schools only because free/reduced lunch data for higher grades is often unreliable.

lunch⁶⁴.

42. The dissimilarity index of segregation between black and white students in Nassau County was 82.8⁶⁵. Between Hispanics and whites, dissimilarity was 59.0. In other words, 83% of black students and 59% of Hispanic students would have to move to another school in order for each school to have the same racial composition as the Nassau County schools as a whole.
43. Minority shares of enrollment are extremely positively correlated with shares of students eligible for free/reduced lunch, with a correlation coefficient of 0.91.
44. Two in five black or Hispanic students (47% of blacks and 34.3% of Hispanics) attended a school that was BOTH majority-minority and majority-low income, versus less than half a percent (0.4%) of white students.
45. 42 of the elementary schools in Nassau County were more than half black or Latino combined (majority-minority schools).
 - A. The share of students in these schools eligible for free/reduced lunch was 56.2%.
 - B. The great majority (83.8 percent) of black public school students in Nassau County and over half (53.6%) of Hispanic students attended these majority-minority schools.
 - C. Only 3.2% of white students attended these majority-minority schools.
46. 83 of the elementary schools in Nassau County were more than 80% white (very white schools.)
 - A. The share of students in these schools eligible for free/reduced lunch was 5.1%.
 - B. 4.1% of black students attended these very white schools.
 - C. 16.1% of Hispanic students attended these very white schools.
 - D. 64.5% of white students attended these very white schools.
47. 34 of the elementary schools in Nassau County were more than 90% white (extremely white schools.)
 - A. The share of students in these schools eligible for free/reduced lunch was 2.5%.
 - B. 0.6% of black students attended these extremely white schools.
 - C. 3.6% of Hispanic students attended these extremely white schools.
 - D. 30.8% of white students attended these extremely white schools.

	Majority-Minority Schools	Majority-Minority AND Majority-Low Income Schools	Very White (Over 80% White) Schools	Extremely White (Over 90% White) Schools
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⁶⁴ Data on free and reduce lunch eligibility exclude schools in the Baldwin Union Free School District which have implausible data (zero students eligible for free/reduced lunch) reported in the National Center for Education Statistics Common Core of Data.

⁶⁵ Dissimilarity index calculated using NCES Common Core of Data using schools as the unit of analysis. The Dissimilarity Index between black and white students in all schools/grades (not just elementary) was 79.5 and between Hispanic and white students was 56.2.

% of Whites Attending	3.2	0.4	64.5	30.8
% of Blacks Attending	83.8	47.0	4.1	0.6
% of Hispanics Attending	53.6	34.3	16.1	3.6

Minorities are Over Represented Among Lower Income, Renter, Family Households in Nassau County⁶⁶

48. Minorities make up increasing shares of Very-Low Income (VLI) households in Nassau County, both among owners and renters. VLI households are those with incomes at or below 50% of metropolitan area median income⁶⁷:

A. Renters

- Minorities made up 41.4% of VLI renter households in 2000, up from 33.5% in 1990.
- Minorities made up 53.1% of VLI **non-elderly**, renter households in 2000, up from 49.1% in 1990.

B. Owners

- Minorities made up 11.2% of VLI owner households in 2000, up from 8.6% in 1990.
- Minorities made up 21% of VLI **non-elderly**, owner households in 2000, up from 14.7% in 1990.

49. Minorities make up a disproportionate share of very-low-income, renter, family households in Nassau County. Minorities made up just 14.8% of all households in Nassau

⁶⁶ All data in this section from the U.S. Department of Housing and Community Development, Comprehensive Housing Affordability Strategy (CHAS) database: <http://soecds.huduser.org/chas/>. This database includes special tabulations by the Census Bureau of the 1990 and 2000 Decennial Censuses. "Very-low-income" households have incomes at or below 50% of area median income.

⁶⁷ The Very-Low Income limit was \$36,650 for a family of four in Nassau County as of 1999, the year used to classify incomes in the CHAS dataset.

- County in 2000, but 31.1% of renter households, 41.4% of very-low-income, renter households, and 53.1% of non-elderly, very-low-income households.
50. Minority households are almost four times as likely to be very-low-income renters than are non-minority households (21.6% versus 5.3%.)
 51. Minorities in Nassau County also more commonly had housing problems than did non-minorities as of 2000. 51.9% of minority households had some housing problems (housing cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities,) compared to 31.1% of non-minorities. Among renters, 62.0% of minority households had some housing problems, compared to 37.9% of non-minorities.

Location of Subsidized Housing Units Reinforces Patterns of Segregation

52. The high levels of residential segregation in Nassau County, described above, are reinforced by the geographic placement of subsidized housing within the county. Family subsidized housing, which serves a predominantly minority population, tends to be located in high-minority areas, while senior citizen housing, which serves a much lower minority population, tends to be located in much lower-minority areas. A full examination of this effect necessitates analysis of the number of subsidized units, their location, whether they are for senior citizen or family residents, their date of initial operation, and the racial/ethnic composition of their residents. Unfortunately this data, while requested, has not been provided by the County. Nevertheless, summary data that is available highly suggests that the location of subsidized housing in Nassau County reinforces and reflects patterns of segregation.
53. The County Office of Housing and Intergovernmental Affairs has provided a document entitled “DRAFT Existing Public/Assisted/Affordable Housing Resources,” updated as of June 2008⁶⁸. This document provides information on the location of affordable/assisted housing by street address and municipality, the name of the development, the number of units, whether it is designated for families or senior citizens, and the program through which it is subsidized/managed⁶⁹. Analysis of this data shows dramatically different patterns in the location of family housing versus senior citizen housing. The majority (52%) of units designated for families or first-time buyer units are located in

⁶⁸ Bates number Nassau County 026952-026960

⁶⁹ The list received from the County contained a number of data omissions which I attempted to complete through phone interviews and Internet searches. I made the following changes to the list provided by the County: 1) Based on the Town of Hempstead Housing Authority website, I designated East Meadow Knolls, Mill River House, Salisbury Gardens, and Woods Edge Apts. as “senior” housing 2) Based on a conversation with a representative of Omni New York LLP, the owner of Park Lake Housing, I designated it as “family” housing 3) Based on a conversation with a representative of Jackson Terrace Housing Association, the manager of Jackson Terrace, I designated it as “family” housing 4) Based on a conversation with a representative of S&H Realty, Co., managers of Soundview Gardens and Wildwood Gardens and examination of rents posted of their website, I removed these units from the affordable housing list. Listed rents are not affordable to low-income households, and management representatives state the development did not receive housing subsidy, was not a Section 8 development, and had no income limits.

municipalities with minority shares that were over three times the County average (at least 61% minority). In contrast, two-thirds of units designated as being for senior citizens (including Golden Age housing) are located in municipalities with minority shares that are less than the County average (less than 20.3% minority).

54. The segregative effect of the placement of family housing in high-minority areas and the placement of senior citizen housing in lower-minority areas stems from the fact that family housing is much more likely to house minority residents, thereby concentrating minority residents in high-minority areas. Likewise, senior citizen housing is much more likely to house non-minority residents. Once again, ideally, we could analyze the specific minority composition of the tenant population of subsidized housing (broken down by elderly and family housing) in Nassau County and compare it with the minority composition of the projects'/units' location, to measure more precisely the effect of the placement of subsidized housing on patterns of residential segregation. Lacking that data, however, I rely instead on the Department of Housing and Urban Development's "A Picture of Subsidized Households: 2000" database⁷⁰, which shows the relative minority composition of HUD-funded family versus senior citizen housing projects in the Nassau-Suffolk Metropolitan area as of 2000. For projects in which more than half of the units contain a household head or spouse who is age 62 or older (which would tend to be senior citizen housing,) the median minority share of the residents was 14% minority. For projects in which half or less of the units contain a household head or spouse who is age 62 or older (which would tend to be "family" housing,) the median minority share of the residents was 87% minority. These stark differences support the supposition that concentration of family housing (housing mostly minorities) in high-minority areas and senior citizen housing (housing mostly non-minorities) in low minority areas, the pattern shown in Nassau County, tends to reinforce existing patterns of segregation.

Nassau County's Strategies and Actions Concentrate Affordable Housing in High-Minority Areas

55. It is against this backdrop of segregation that Nassau County envisions and carries out its strategy regarding affordable housing and its placement. Based on data provided by the County, I examine A) the County's stated strategy concerning location of affordable housing development, B) the location of 1,565 affordable units with which the County has claimed to be involved relative to their construction or rehabilitation, C) the location of 39 County-owned properties sold to non-profit housing organizations, most likely for the purpose of development of affordable housing and D) the location of housing funded in part through the HOME or CDBG programs.

- A. In its Five Year (2005-2009) Consolidated Plan and Annual Action Plan for the Nassau Urban County Consortium, the County's Office of Intergovernmental Affairs outlines a set of "Five Year Objectives and Strategies"⁷¹. The County states that it

⁷⁰ See <http://www.huduser.org/picture2000/index.html>

⁷¹ Page 90 and following.

“will support the development of low cost homeownership housing to expand its supply of affordable housing. . . Locations of affordable housing will likely include Hempstead Village, Roosevelt, Freeport, Jamaica Sq. and New Cassel.” These municipalities all have minority shares that are several times the County average and are among the very highest minority municipalities in the County: Hempstead Village (84.4% minority), Roosevelt (95.8% minority), Freeport (66% minority), Jamaica Square⁷² (78% minority) and New Cassel (88.9% minority.)”

The County also states that it will “support the development of rental housing by providing HOME funds to assist in funding the construction of rental housing units for extremely low and low income households in the consortium. . . Several projects are proposed and anticipated to be completed by 2010. These include Golden Age Projects in Roosevelt and additional housing in New Cassel.” These two municipalities rank in the top three highest minority municipalities in the County.

- B. The County claims that, through its housing agencies, it has been involved in the construction or rehabilitation of affordable housing. It has provided a list of 1,565 units reflecting those affordable units⁷³. Overall, almost two thirds of the units (62%) were located in municipalities with minority shares that were over twice the County average⁷⁴. Among those 138 units which were explicitly identified as being “new construction” only, all of the units (100%) were located in municipalities with minority shares of the population that were over twice the County average.
- C. The County has provided a list of 39 County-owned properties sold to non-profit housing organizations, most likely for the purpose of development of affordable housing⁷⁵. These non-profit organizations include Habitat for Humanity, the Long Island Housing Partnership, and the Village of Hempstead Community Development Agency. The vast majority (95%) of these properties were located in municipalities with minority shares of the population that were over twice the County average. Over two thirds of the properties (69%) were located in municipalities with minority shares of the population that were over three times the County average.
- D. The County Office of Housing and Intergovernmental Affairs administers and coordinates both the CDBG and HOME federal housing subsidy programs at the county level. According to its Five-Year (2005-2009) Consolidated Plan, “Nassau County’s general approach to housing and community development has been to establish a composite of programs that provide an opportunity for each member community to establish its own priorities. These priorities must, however, be designed to meet the objectives of the County’s overall housing and community development effort⁷⁶.” Based on the “DRAFT Existing Public/Assisted/Affordable

⁷² Minority share is for South Floral Park, the current name of Jamaica Sq.

⁷³ See document Bates #026535

⁷⁴ County average was 20.3% minority in 2000.

⁷⁵ See document Bates #026447

⁷⁶ Nassau Urban County Consortium 5 Year (2005-2009) Consolidated Plan and Annual Action Plan, p. 18. The Consortium contains approximately 92% of the County population, and its population was 21.5% minority as of 2000.

Housing Resources,” document provided by the County Office of Housing and Intergovernmental Affairs, two-thirds of units which received at least partial subsidy through the HOME or CDBG program were located in municipalities with minority shares of the population that were over three times the County average. Less than a quarter of units were located in municipalities with minority shares less than the County average, and all of these were located in one development in Rockville Center in which HOME funds are being used to help rehabilitate dilapidated former state public housing⁷⁷.

Likely Racial/Ethnic Composition of Renters Who Could Afford to Rent Units Developed Under Four NYAHC Proposals for the Social Services Site

Based on an Analysis of Affordability, The Likely Renters of the NYAHC Proposed Housing Would Include Approximately 56 to 101 Minority-Headed Households

56. Plaintiffs’ attorneys have asked me to estimate the likely racial/ethnic composition of the pool of renters who could afford to rent units developed under four proposals put forth by New York ACORN Housing Company (NYAHC) as of 2004 for the development of the 25 acre parcel located at 101 County Seat Drive (the “Social Services site”) under the CO-5b zoning proposed by planning consultants Buckhurst Fish and Jacquemart Inc. These four proposals all envision the development of 311 rental units and are as follows:

- A. Proposal 1: 80% market rate units, 20% affordable units
- B. Proposal 2: 85% market rate units, 15% affordable units
- C. Proposal 3: 75% market rate units, 25% Section 8 units
- D. Proposal 4: 75% market rate units, 12.5% Section 8, 12.5% other affordable units

Data and Methods

57. The four NYAHC proposals contain a mix of rental units, differentiated by number of bedrooms, rent level, and subsidy type. There are three broad types of units: market-rate, Section 8, and other affordable units. I estimate the racial/ethnic composition of the pool of tenants who could afford or qualify for each type of unit separately, as follows:

Market Rate Units:

58. Given the rent levels by bedroom size proposed by NYAHC, I deflated them to 1999 rents using the Bureau of Labor Statistics Consumer Price Index for Rent of Primary Residence for the New York-Northern New Jersey-Long Island Area. I also included gas and electric allowances⁷⁸, deflated using the BLS CPI for Household Energy. I then calculated the minimum yearly household income needed to afford these rents, assuming that households paid no more than 30% of income for rent. Data from the 2005

⁷⁷ “Developers Rescue State Public Housing” in Affordable Housing Finance, March, 2008: <http://www.housingfinance.com/aht/articles/2008/mar/DEVELOPERSRESCUE0308.htm>

⁷⁸ Provided by NYAHC.

American Community Survey for Nassau County reports that the median share of income spent on rent was 33.6%, but higher-income, market-rent tenants, such as those expected to rent in Garden City, typically spend lower shares of their incomes for rent. Thirty percent is also a commonly used threshold of rental affordability⁷⁹. Using the 2000 Decennial Census 5% Public Use Microdata Sample (PUMS) I calculated the racial/ethnic composition of renters⁸⁰ in Nassau County with incomes at or above those levels necessary to afford the rents in question. I defined Nassau County as the appropriate market area. According to the 2000 Census, 70% of people who moved within or into Garden City between 1995 and 2000 moved from within Nassau County⁸¹. I then applied the racial/ethnic distribution of renters who could afford units of each bedroom size to the number of planned units of that size to get an estimated number of renters of each racial/ethnic group that would most likely afford those units.

Section 8 Housing:

59. To estimate the likely racial composition of units set aside for Section 8 subsidies, I used the racial composition of the Nassau County Section 8 waiting list as of May 29, 2008⁸². Of the total eligible 3,795 households, 569 identified as Hispanic and 2,818 identified as Black. Lacking a breakout for “non-Hispanic black” I applied the share of blacks who identified as “non-Hispanic” from the 2006 American Community Survey for Nassau County (98.5%) to the number of black households on the waiting list to estimate the number of “non-Hispanic blacks.” The combined Hispanic and non-Hispanic black share of the waiting list was then estimated as 88%. I applied this estimate to the number of units set aside by NYAHC for Section 8 subsidies to obtain the number of units likely to be rented by minorities. Finer breakdowns of the racial/ethnic composition of the Section 8 waiting list, for example by bedroom size, were not available. However, given the age and family size composition of households in Nassau County, it is likely that minority households make up greater shares of larger and family households on the List, and that non-minority households make up greater shares of smaller and elderly households.

Other Affordable Housing:

60. In three of its proposals, NYAHC designates a certain number of units at each bedroom size as “affordable” based on percent of HUD area median income ranges for households of different sizes. Given the income ranges by bedroom size proposed by NYAHC, I deflated them to 1999 incomes using the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers for the New York-Northern New Jersey-Long Island Area. Using the 2000 Decennial Census 5% Public Use Microdata Sample (PUMS) I calculated the racial/ethnic composition of renters in Nassau County with incomes within

⁷⁹ See for example, HUD’s “Affordable Housing Needs 2005: A Report to Congress” <http://www.huduser.org/Publications/pdf/AffHsgNeeds.pdf>

⁸⁰ According to the 2005 American Housing Survey, 80% of recent mover renters were also renters (as opposed to homeowners) at their previous location. Therefore, I used renter households as the pool of potential renters at the Social Services site, as opposed to all households.

⁸¹ Excludes people that moved from abroad and those under age 5 in 2000.

⁸² Document provided by Nassau County titled “Statistical Breakdown Listing, Eligible Wait List Applicants, Head of Household Only, Nassau County.”

the specified income ranges and with household sizes appropriate to each unit size. For one bedroom units, I analyzed households with 1 to 2 residents. For two bedroom units, I analyzed households with 3 to 4 residents. For three bedroom units, I analyzed households with 5 to 6 residents. I defined Nassau County as the appropriate market area. I then applied the racial/ethnic distribution of renters who could afford units of each bedroom size and who fell within the appropriate income range to the number of units of that size to get an estimated number of renters of each racial/ethnic group that would most likely afford those units and also be income-eligible.

Results (see Exhibit 2)

61. Proposal 1: 80% market rate units, 20% affordable units:
Based on the methodology above, the pool of renters that could afford the 249 market rate units would likely include 33 minority households (13% of the market rate tenants). The pool of renters that could afford the 62 affordable units would likely include 32 minority households (52% of the market rate tenants). **In sum, the pool of renters that could afford this development would likely include 65 minority households or 21% of the households.**

62. Proposal 2: 85% market rate units, 15% affordable units:
Based on the methodology above, the pool of renters that could afford the 265 market rate units would likely include 32 minority households (12% of the market rate tenants). The pool of renters that could afford the 46 affordable units would likely include 24 minority households (52% of the market rate tenants). **In sum, the pool of renters that could afford this development would likely include 56 minority households or 18% of the households.**

63. Proposal 3: 75% market rate units, 25% Section 8 units:
Based on the methodology above, the pool of renters that could afford the 233 market rate units would likely include 32 minority households (14% of the market rate tenants). The pool of renters that would likely occupy the 78 Section 8 subsidized units would likely include 69 minorities (88% of the Section 8 tenants). **In sum, the pool of renters that could afford this development would likely include 101 minority households or 32% of the households.**

64. Proposal 4: 75% market rate units, 12.5% Section 8, 12.5% other affordable units:
Based on the methodology above, the pool of renters that could afford the 233 market rate units would likely include 32 minority households (14% of the market rate tenants). The pool of renters that would likely occupy the 40 Section 8 subsidized units would likely include 35 minority households (88% of the Section 8 tenants). The pool of renters that could afford the 38 affordable units would likely include 20 minority households (53% of the market rate tenants). **In sum, the pool of renters that could afford this development would likely include 88 minority households or 28% of the households.**

65. In sum, I estimate that the likely pool of renters who could afford to rent units under the four NYAHC proposals to include between 56 and 101 minority-headed households or between 18% and 32% of tenants. Even at the high end of this estimate, the share of households headed by a minority in Garden City would still likely be approximately 3.6%, much lower than Nassau County's 15.4% minority share as of 2000. The minority share of the population (excluding those in group quarters such as dormitories) would likely rise from 2.6% to approximately 4.2%⁸³. While this share is still substantially below the 2000 County average of 19.7%, it would constitute a step towards reducing segregation.
66. In general, because of the lower income distributions of minority households, increasing the number of affordable units will increase the number and share of minority households who can afford to live in the proposed development. Increasing the number of units which receive a Section 8 subsidy will further increase the number and share of minority households who can afford to live in the proposed development. This pattern is especially true as it pertains to family (non-elderly) housing.

Likely Racial/Ethnic Composition of Homebuyers Who Could Afford to Purchase Units With Average Price of \$700,000

The Likely Pool of Homebuyers Who Could Afford to Purchase Homes With Average Price of \$700,000 Includes Approximately 3 to 6 Minority-Headed Households

67. Plaintiffs' attorneys have asked me to estimate the likely racial composition of the pool of homeowners who could afford to purchase units potentially developed by Fairhaven Properties under the adopted R-M zoning for the 25 acre parcel located at the Social Services site. The purchaser of this parcel, Fairhaven Properties, outlined its intention to construct 121 single-family attached units and 35 townhouse units. In its most recent description of the project, Fairhaven states that it will construct three different models of single-family homes, but does not provide the number of units of each model and provides square foot estimates for just two of the three models. Further, it does not provide square footage estimates for the townhouse units. Lacking further information, Ismene Speliotis of NYAHC used average sales prices in Garden City Village for 2004 from the Multiple Listing Service to produce an approximate selling price of \$700,000. The average price of \$700,000 may be conservative because home sales figures largely reflect the price of existing homes, rather than new homes, such as the new units at the

⁸³ Assumes that all members of a household share the same minority status as the household head. In Nassau County in 2000, 97% of households with a non-minority head contained all non-minority members; 89% of households with a minority head contained all minority members. The estimated growth in the minority share of the population uses the 2000 Census population as a base and assumes all growth is due to that associated with residents moving into Garden City to occupy the new development.

Social Services site. As of 2000, in the Northeastern U.S., the median sales price of a new home was 24% higher than the median sales price of an existing home⁸⁴. On the other hand, the proposed Fairhaven units are a combination of single-family attached houses and townhouses, which may garner a lower price than a pool of homes included in the Multiple Listing Service which also include single-family detached houses.

Data and Methods:

68. I use data from the 2004 Home Mortgage Disclosure Act (HMDA) Data database to estimate the purchase prices of homes bought in Nassau County in 2004 by minorities and non-minorities⁸⁵. This database allows for analysis of the large majority of mortgages issued in the U.S., broken down by the loan amount, race/ethnicity of borrower, location of the property purchased, and other characteristics of the loan, the borrower and the lender. Although it does not report actual selling prices, HMDA does provides data on home mortgage loans originated to purchase properties in Nassau County, including the race/ethnicity of the borrower and the amount of the loan⁸⁶. Using a range of assumptions about home loan-to-value ratios (80%, 90%, 95% and 100%, LTV, and a mixture of 95% LTV for minorities and 80% LTV for non-minorities⁸⁷), I estimate purchase prices based on reported HMDA mortgage loan amounts. So, for example, a loan amount of \$300,000 reported in HMDA with a 90% LTV would translate to a purchase price of \$333,333. I then compute the minority share of homebuyers who actually purchased homes in Nassau County in 2004 at prices at or above the estimated Fairhaven prices. Lastly, I apply these minority shares to the number of Fairhaven homes to get an estimated number of units likely to be purchased by minorities.

⁸⁴ U.S. Bureau of the Census, Construction Reports, C-25, and National Association of Realtors.

⁸⁵ This analysis is based on Federal Financial Institutions Examination Council's Home Mortgage Disclosure Act (HMDA) database files from 2004. Loans are "for-purchase," "1-4 unit" loans only and exclude loans where no racial identification was given.

⁸⁶ I limit my analysis to loans that were actually originated and were to be owner-occupied.

⁸⁷ This mixed 95%/80% LTV scenario reflects the greater relative wealth of non-minority households and therefore their ability to make a larger downpayment.

Results:

69. The estimated number of minority-headed, purchasing households range from 3 to 6, depending on the assumed loan-to-value ratio⁸⁸. Assuming a 100% loan-to-value ratio (i.e. no downpayment), the estimated number of minority-headed, purchasing households would be 4. Assuming an 80% loan-to-value ratio, the estimated number of minority-headed, purchasing households would be 5. Assuming a 90% loan-to-value ratio, the estimated number of minority-headed, purchasing households would be 6. Assuming a 95% loan-to-value ratio, the estimated number of minority-headed, purchasing households would be 5. Assuming a mixed 95% loan-to-value ratio for minorities and 80% loan-to-value ratio for non-minorities, the estimated number of minority-headed, purchasing households would be 3.
70. Even at the high end of this estimate, the share of households headed by a minority in Garden City after such development would likely be unchanged at approximately 2.3%, constituting a continuation of segregation.

V. Disclosures

71. Beginning in April 2005, I am being reimbursed at the rate of sixty-five dollars (\$65) an hour to compensate me for my study and testimony.
72. In the past 6 years I have testified as an expert at trial in the following cases.
- A) For the defendants in *Comfort vs. Lynn School Committee* before the U.S. District Court, District of Massachusetts in 2002
- B) For the plaintiffs in *Hancock v. Driscoll* before the Massachusetts Supreme Judicial Court in 2004

⁸⁸ The HMDA dataset provides information on mortgage loans, not home prices. My analysis examines a number of scenarios with alternate loan-to-value ratios to translate this loan data into projected prices. However, my analysis focuses on first-lien mortgages. HMDA also reports data on second-lien mortgages. Over the last decade, it has become more common for households to take out a second “piggyback mortgage” at the time of their first mortgage to make home purchase more affordable, largely by avoiding the necessity of paying mortgage insurance. In the case of these piggyback mortgages, it is preferable to combine the amount of the first and second mortgages to obtain a total mortgage amount for analysis. However, HMDA data does not identify mortgages by borrower, so it is impossible to combine first and second mortgages. In Nassau County in 2004, HMDA reports that 7% of mortgages to non-minorities were second mortgages, while 15% of loans to minorities were second mortgages. Making the very conservative assumption that all second mortgage loans to minorities were “piggy-back” type loans and should be added to the value of the first mortgages, and that none of the second mortgages to non-minorities were “piggy-back” type loans, I add the median value of the second mortgage to the first mortgage to a randomly selected 15% of minority loans. I then repeat the same analysis on who could afford to buy homes at \$700,000 but used the adjusted mortgage amounts which include second mortgages for minorities. The ultimate effect on the results was minor. At most, one extra minority household could afford to purchase a \$700,000 home.

VI. Verification

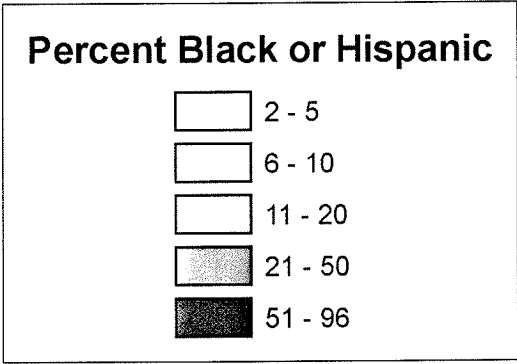
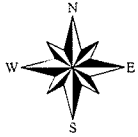
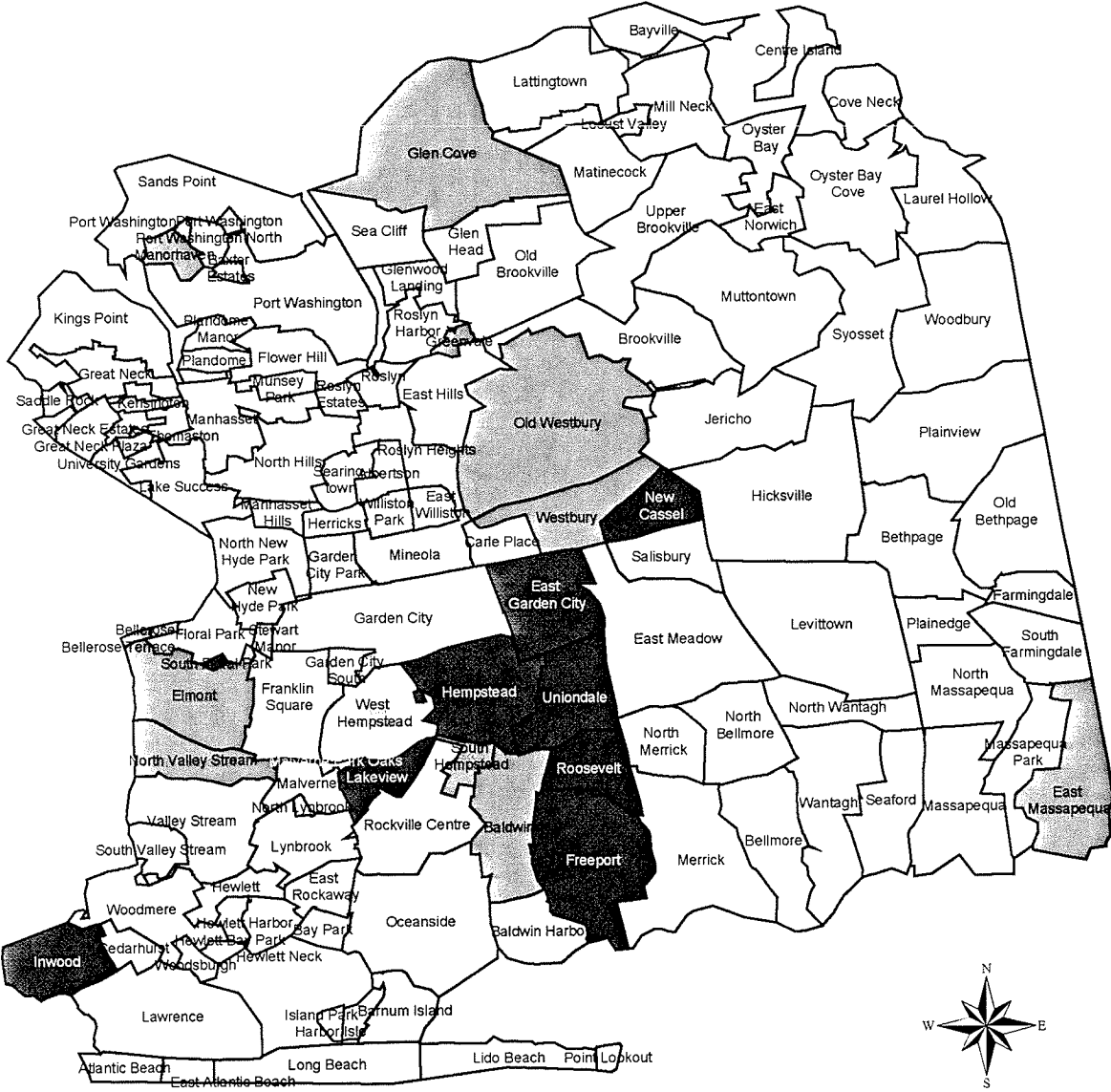
- 73). The foregoing Report, the statements and information contained therein, and the opinions presented are true and correct to the best of my knowledge and belief.

Signed under pains and penalties of perjury this 12th day of September, 2008, by NANCY McARDLE

NANCY McARDLE

Black or Hispanic Share of Population: 2000

Nassau County



Note: Includes those who identify themselves as Hispanic or as non-Hispanic black alone or in combination with other races.
 Source: 2000 Census, Summary File 1.

Exhibit 2

Estimated Minority Share of Renter Households Under 4 NYAHC Proposals

Development Option	Market Rate Units			Section 8 Units			Other Affordable Units			Total Units		
	Total	# Minority	% Minority	Total	# Minority	% Minority	Total	# Minority	% Minority	Total	# Minority	% Minority
80% Market/20% Affordable												
1 Bedroom	40	6	15%	N/A	N/A	N/A	10	3	30%	50	9	18%
2 Bedroom	121	16	13%	N/A	N/A	N/A	30	14	47%	151	30	20%
3 Bedroom	88	11	13%	N/A	N/A	N/A	22	15	68%	110	26	24%
Total	249	33	13%	N/A	N/A	N/A	62	32	52%	311	65	21%
85% Market/15% Affordable												
1 Bedroom	43	5	12%	N/A	N/A	N/A	7	2	29%	50	7	14%
2 Bedroom	130	17	13%	N/A	N/A	N/A	23	11	48%	153	28	18%
3 Bedroom	92	10	11%	N/A	N/A	N/A	16	11	69%	108	21	19%
Total	265	32	12%	N/A	N/A	N/A	46	24	52%	311	56	18%
75% Market/25% Section 8												
1 Bedroom	35	6	17%	12	11	88%	N/A	N/A	N/A	47	17	35%
2 Bedroom	117	16	14%	39	34	88%	N/A	N/A	N/A	156	50	32%
3 Bedroom	81	10	13%	27	24	88%	N/A	N/A	N/A	108	34	32%
Total	233	32	14%	78	69	88%	N/A	N/A	N/A	311	101	32%
75% Market/12.5% Section 8/12.5% Other Affordable												
1 Bedroom	35	6	17%	6	5	88%	6	2	33%	47	13	28%
2 Bedroom	117	16	14%	20	18	88%	19	9	47%	156	43	27%
3 Bedroom	81	10	13%	14	12	88%	13	9	69%	108	32	29%
Total	233	32	14%	40	35	88%	38	20	53%	311	88	28%

Notes: Columns may not sum to total due to rounding.
 Minority refers to Hispanics and non-Hispanic blacks.
 Estimates of composition of market rate housing based on rental affordability at 30% of income.
 Pro-formas provided by NYAHC included 1 extra unit for 80/20 and 85/15 options. Per conversation with Ismene Speliotis or NYAHC, I removed one 3 bedroom market rate unit from my analysis.

Appendix 1

Nancy McArdle

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PROFESSIONAL EXPERIENCE

Consultant: 2001-present

Research and Research Management

- *Harvard University School of Public Health*
Principal data analyst for Diversity Data website, providing a broad range of socio-economic indicators by race, including housing, health, demographics, education, and employment, for all of the nation's metropolitan areas.
- *The Charles Hamilton Houston Institute for Race and Justice, Harvard Law School*
Co-authored major study on race and citizenship, including topics of political participation, courts and criminal justice, employment and education.
- *The Civil Rights Project at Harvard University*
 - Research Director of the Metro Boston Equity Initiative, a major program producing and disseminating research on racial equity in housing, education and employment in Metro Boston
 - Testified before U.S. Commission on Civil Rights, MA Governor's Fair Housing Advisory Panel, MA Department of Housing and Community Development; frequent speaker on civil rights issues and widely quoted in the press
 - Author of reports investigating employment opportunity for minorities, concentrated poverty neighborhoods, and housing segregation in Metro Boston and patterns of racial change and segregation in the Chicago and San Diego metropolitan areas
- *WGBH Public Television, Boston*
Consultant to "Eye of Education" special on school segregation in Metro Boston.
- *Neighborhood Housing Services of Rochester, NY*
Produced market analysis outlining major demographic, economic, and housing patterns in Rochester as well as implications for organization's strategic plan

- *Neighborhood Reinvestment Corporation*
Co-authored white paper recommending strategy for five-year multi-billion dollar homeownership campaign
- *Fannie Mae Foundation*
Peer reviewer of research on homeownership and housing demography

Teaching/Training

- *Neighborhood Reinvestment Corporation*
Developed and taught consistently top-rated course helping community development professionals to analyze and understand their communities using Census and other data and to adapt their organizational priorities and strategies accordingly
- *Harvard Graduate School of Education and Harvard School of Public Health*
Guest lecturer in several graduate level courses and for Harvard's Civil Rights Summer Program
- *Southern New Hampshire University*, adjunct faculty.

Expert Legal Witness

- *Comfort v. Lynn School Committee*
Expert for the defendants, providing report and testimony on racial segregation of neighborhoods in U.S. District Court, District of Massachusetts school desegregation case with significant national implications.
- *Hancock v. Driscoll*
Expert for the plaintiffs, providing testimony at deposition and trial before Massachusetts Supreme Judicial Court on issues of private schooling, income variation within school districts and statistical validity of defendant's experts' testimony
- *Mendonsa v. Lowell Housing Authority*
Expert for the plaintiffs providing report to Massachusetts Superior Court, analyzing racially segregative effects of demolition of public housing in Lowell and relocation of affected tenants
- *Clarence Reinhart et. al. v. Lincoln County, WY et. al.*
Expert for the plaintiffs, providing expert report to U.S. District Court, District of Wyoming, analyzing effects of development and zoning on ability of minority and female-headed family households to afford homes in certain communities
- *High Point Families United v. High Point Village Company*

Expert for the plaintiffs providing expert report to Massachusetts Superior Court, analyzing likely effect on residential options for protected classes of non-renewal of project-based Section 8 contract

Joint Center for Housing Studies, Harvard University: 1987-2001

- Project manager, principal researcher, and co-author of Center's widely cited, signature study: *The State of the Nation's Housing*.
- Authored numerous research reports on topics such as the homeownership attainment of foreign-born households, the decentralization of population and employment growth, settlement patterns of immigrants, and triggers of housing renovation and repair expenditures
- Extensive experience with statistical analysis of large databases including the American Housing Survey, Decennial Census, the Home Mortgage Disclosure Act data, and the Current Population Survey

AFFILIATIONS

- Fair Housing Center of Greater Boston: Executive Board
- Population Association of America

EDUCATION

Harvard University, John F. Kennedy School of Government
Master of Public Policy, 1987

Carnegie-Mellon University
Bachelor of Science, Public Policy and Management, *summa cum laude*, 1985.

Publications

Quantifying Separate and Unequal: Racial/Ethnic Distributions of Neighborhood Poverty in Metropolitan America. With Theresa L. Osypuk, Sandro Galea and Dolores Acevedo-Garcia. Forthcoming: Urban Affairs Review.

Towards a Policy-Relevant Analysis of Geographic and Racial/Ethnic Disparities in Child Health. With Dolores Acevedo-Garcia, Theresa L. Osypuk, and David R. Williams. Health Affairs. Volume 27, No. 2. March/April, 2008.

Color Lines in a Multiracial Nation: An Institutional Demographic Overview of the U.S. in the 21st Century in 21st Century Color Lines: Exploring the Frontiers of Our Multiracial Future. The Civil Rights Project at Harvard University. Forthcoming: Temple University Press.

Race, Ethnicity and Citizenship in the United States 150 Years After Dred Scott v. Sandford. With Susan Eaton. The Charles Hamilton Houston Institute for Race and Justice. Harvard Law School. April 2007.

Children Left Behind: How Metropolitan Areas are Failing America's Children. With Dolores Acevedo-Garcia et. al. Harvard School of Public Health and The Center for the Advancement of Health. January, 2007.

The Vicious Cycle: Segregated Housing, Schools, and Intergenerational Inequality. With Gary Orfield. Joint Center for Housing Studies. August 2006.

Should Lynn Schools Use Boston's Model? Op-ed published in the *Boston Globe*. December 18, 2004.

Racial Equity and Opportunity in Metro Boston Job Markets. The Civil Rights Project at Harvard University. 2004.

More than Money: The Spatial Mismatch Between Where Homebuyers of Color Can Afford to Live and Where They Actually Reside. With David J. Harris. The Civil Rights Project at Harvard University. January, 2004.

A Racial Equity and Opportunity Agenda for Metro Boston. In *Poverty & Race*. Poverty Race Research Action Council. 2004.

Beyond Poverty: Race and Concentrated Poverty Neighborhoods in Metro Boston. The Civil Rights Project at Harvard University. December 2003.

The Changing Face of Rochester: A Demographic, Housing, and Socio-Economic Portrait. Prepared for Neighborhood Housing Services of Rochester, NY. March, 2003.

The Changing Face of the Nation: Population, Housing, and Spatial Trends, "Bright Ideas Magazine," Neighborhood Reinvestment Corporation, Fall 2002.

Racial Trends and Segregation in the San Diego Metropolitan Area: 1990-2000, The Civil Rights Project at Harvard University, June, 2002.

Racial Trends and Segregation in the Boston Metropolitan Area: 1990-2000, The Civil Rights Project at Harvard University, June, 2002.

Racial Trends and Segregation in the Chicago Metropolitan Area: 1990-2000, The Civil Rights Project at Harvard University, June, 2002.

The Living Arrangements of Foreign-Born Households, Joint Center for Housing Studies Research note, 2001.

The State of the Nation's Housing: 2000 (also 1998, 1999) Joint Center for Housing Studies.

Outward Bound: The Decentralization of Population and Employment. Joint Center for Housing Studies Working Paper W99-5. July 1999.

A Critical Look at Rising Homeownership Rates in the United States Since 1994. With George Masnick and Eric Belsky. Joint Center for Housing Studies Working Paper W99-2.

Homeownership Attainment of New Jersey Immigrants in Keys to Successful Immigration: Implications of the New Jersey Experience. Thomas J. Espenshade, editor. Urban Institute Press. Washington, D.C. 1997.

The "Move-In" Effect on Home Improvement Activity: Longitudinal Analysis Utilizing the 1991 and 1993 American Housing Surveys. Joint Center for Housing Studies Working Paper RF96-3. October, 1996.

Foreign Immigration and Homeownership: A Summary. Joint Center for Housing Studies Working Paper W95-2.

U.S. Household Trends: The 1990s and Beyond. With George S. Masnick and William C. Apgar. Joint Center for Housing Studies Working Paper W96-2.

Settlement and Mobility Patterns of Recent Immigrants. Joint Center for Housing Studies Working Paper W94-5.

State Household Projections Based Upon Census Bureau P25-1111 Population Projections. With George S. Masnick. Joint Center for Housing Studies Working Paper W94-4.

The New Immigrants: Demographic and Housing Characteristics. With Kelly Mikelson. Joint Center for Housing Studies Working Paper W94-1.

Revised U.S. Household Projections: New Methods and New Assumptions. With George S. Masnick. Joint Center for Housing Studies Working Paper W93-3.

Housing in America: 1970-2000. With George S. Masnick and William C. Apgar. Joint Center for Housing Studies. 1991.